

## Message Text

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FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

TREASURY

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

INFO USSAGE NKP

CINCPAC HONOLULU HI

COGARD

AMEMBASSY BUDAPEST

XMT SUVA

UNCLAS STATE 271136

COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT:DECEMBER 10 EA PRESS SUMMARY

1. INDOCHINA

SAIGON COMMAND REPORTS FIERCE FIGHTING CONTINUES FOR  
FOURTH STRAIGHT DAY (CSM). SVN TROOPS BATTLE COMMUNIST  
FORCES TRYING TO CAPTURE TAY NINH CITY AND IN DELTA  
(CHITRIB). GVN REPORTS COMMUNISTS OPEN NEW FRONT AT  
TAY NINH, ATTACK CITY ON FOUR SIDES WITH 20,000 TROOPS.  
BATTLES OVER RICE HARVEST GO ON IN DELTA (WP). SAVAGE  
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FIGHTING INTENDED BY COMMUNISTS TO WEAR DOWN ARVN  
AND EXPLOIT WEAK SVN ECONOMY CONTINUES. SAIGON COMMAND  
SAYS CASUALTIES SO FAR ARE OVER 2600 ON BOTH SIDES:  
248 KIA, 990 WIA AND 210 MIA ON GVN SIDE, AND 1180 NVA

AND VC KIA (AP, SUN).

NYT'S MARKHAM IN SAIGON BELIEVES COMMUNIST ATTACKS DO NOT YET APPEAR TO REFLECT MAJOR MOVE, BUT SEEM INTENT ON INFLECTING GVN CASUALTIES. QUOTES WESTERN DIPLOMATIC SOURCES THAT NVA HAS ENOUGH AMMO TO LAST THROUGH 18 MOS OF FIGHTING IN SOUTHERN SVN AND EIGHT MOS IN NORTHERN PROVINCES. REPORTS SOME OF MIL INCIDENTS THAT HAVE OCCURRED IN PAST THREE DAYS, WITH EMPHASIS ON FIGHTING NEAR KHMER BORDER AND IN DELTA.

WH CALLS ON NVN TO END OPERATIONS IN SVN THAT VIOLATE

C-F AND TO RETURN TO NEGOTIATING TABLE (WP). NESSEN TELLS NEWSMEN US FOLLOWS SITUATION IN SVN CLOSELY AND HOPES NVN WILL RECOGNIZE FUTILITY OF BROADENING ATTACKS AND END ACTION THAT VIOLATES C-F (REUTER, NYT).

LAT'S MCARTHUR (12/7) IN SAIGON TELLS OF HAZARDOUS 400-MILE VOYAGE IN SAMPAN BY FIVE CHINESE FISHERMEN WHO WERE PICKED UP OFF DA NANG TWO WEEKS EARLIER. SAYS SVN AND US SOURCES LIFTED BIT OF SECRECY SURROUNDING VOYAGE THAT WAS IMPOSED DURING HAK PEKING VISIT. PRIVATE SOURCES SAY FIVE HAVE REQUESTED POLITICAL ASYLUM. US OFFICIALS ARE RELUCTANT TO DISCUSS CASE, RAISING SPECULATION FIVE MIGHT HAVE ASKED TO GO TO USA. ORIGINAL GVN ANNOUNCEMENT SAID THEY HAD BEEN DISABLED BY STORM AND DRIFTED SOUTH; BUT FISHERMEN TOLD SVN NAVY THEY HAD INTENTIONALLY SET OUT FOR SVN, AND THAT THEY LEFT HOME VILLAGE IN KWANGSI BECAUSE THEY WERE HARDLY EARNING ENOUGH TO EAT. MCARTHUR OPINES THAT SECRECY SURROUNDING CASE INDICATES THE FIVE, FROM 27 TO 36 YEARS OLD, HAD GREAT DEAL MORE TO SAY. ADDS THAT SVN NAVAL AUTHORITIES ARE IMPRESSED BY LONG VOYAGE IN SMALL BOAT DURING TYPHOON SEASON.

MCARTHUR (LAT 12/9) IN SAIGON WRITES OF RED TAPE AND UNCLASSIFIED

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JEALOUSY THAT ENTANGLE SAIGON'S CAMPAIGN FOR TOURIST DOLLARS AND ENDANGER CONSTRUCTION OF 16 MILLION DOL HYATT REGENCY HOTEL. SEES HOTEL READY TO RECEIVE TOURISTS "AT BEST" IN 1977. SAYS TORTURED HISTORY OF PROJECT RAISES SERIOUS QUESTIONS ABOUT SVN'S 1972 FOREIGN INVESTMENT LAW, DESIGNED TO ATTRACT OUTSIDE MONEY. PROJECT "SABOTAGED" BY TAXES PASSED AFTER LAW THAT COUNTERBALANCE ITS LIBERAL PROVISIONS, BY "OTHER FORMALITIES" INVOLVING NEW LOCAL CORPORATION THAT MUST BE SET UP, AND BY LACK OF LOCAL MONEY THAT WAS SUPPOSED TO BE RAISED. PERSONALITY CLASHES ALSO PLAY ROLE. MCARTHUR QUOTES WESTERN OFFICIALS THAT HOTEL PROJECT'S DIFFICULTIES ARE MORE OR LESS TYPICAL

OF THOSE ENCOUNTERED BY OTHER INVESTORS. NOTES  
WAR DISCOURAGES INVESTMENT, BUT WESTERN OFFICIALS PLACE  
EQUAL BLAME FOR LOW INVESTMENT RATE ON GVN CONDUCT.  
SAYS THAT ON PAPER GVN WANTS FOREIGN INVESTMENT, BUT  
IN FACT "LOT OF BUREAUCRATS HAVEN'T MADE UP THEIR MINDS."

GLOBE'S PILATI (12/9) NOTES REAPPEARANCE OF  
TWO ELEMENTS OF INDOCHINA WAR IN BOSTON AREA: DOZEN  
MEMBERS OF INDOCHINA PEACE CAMPAIGN DEMONSTRATED  
OUTSIDE CONGRESSMAN O'NEILL'S HOME TO SUPPORT  
SUBSTANTIAL CUTS IN MIL AID TO GKR, SINCE "WAR ALMOST  
TOTALLY FINANCED BY OUR TAX DOLLARS" (MAJORITY LEADER

O'NEILL WAS NOT AT HOME); AT LOGAN AIRPORT, LOCAL MEMBERS  
OF NATL LEAGUE OF FAMILIES SENT OFF XMAS CARDS FOR SOME  
MIAS TO PARIS FOR DELIVERY TO DRV EMBASSY, THOUGH UNSURE  
WHETHER EMBASSY WILL SIMPLY DESTROY CARDS OR ACTUALLY  
ATTEMPT TO DELIVER THEM.

## 2. CHINA

WP'S PAUL RICHARD REPORTS THAT "FOR REASONS OF IDEOLOGY,  
RATHER THAN ESTHETICS," PRC REPS IN WASHINGTON EARLY  
TUESDAY MORNING -- AFTER CONSULTATION WITH DOS --  
CANCELED LONG-AWAITED PRESS VIEWING OF CHINESE ARCHAEOLOGICAL  
EXHIBIT. AT ISSUE WAS NATIONAL GALLERY INVITATION TO  
ENTIRE CAPITAL PRESS CORPS, WITH CHINESE PARTICULARLY  
OBJECTING TO ATTENDANCE BY JOURNALISTS FROM ROC, SK, S.  
AFRICA AND ISRAEL. GALLERY OFFICIALS SAID THEY WERE  
DEFENDING, "LITERALLY," RIGHTS OF PRESS FREEDOM  
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RICHARD SAYS PRC APPARENTLY SELECTED THESE FOUR COUNTRIES  
FOR POLITICAL AND IDEOLOGICAL REASONS: ROC "IS OBVIOUSLY  
IN DISFAVOR"; CHINESE HAVE TRADITIONALLY BEEN BACKERS  
OF NK OVER ROKG; AND CHINA RECENTLY VOTED TO SUSPEND  
S. AFRICA FROM UNGA, AND VOTED AGAINST ISRAEL IN  
ALLOWING OBSERVER STATUS TO PLO. THOUGH ALL MEMBERS  
OF PRESS, AND NUMEROUS GALLERY WORKERS, HAVE SO FAR  
BEEN DENIED ACCESS TO TEMPORARY EXHIBITION, GALLERY  
OFFICIALS SAY THEY ISSUED THAT BAN "FOR REASONS OF  
CONVENIENCE." GALLERY DIRECTOR HAS DESCRIBED CHINESE  
CURATORS AS "CHARMING," AND OTHER GALLERY EMPLOYEES  
HAVE SAID CHINESE HAVE VOICED DELIGHT WITH EXHIBITION'S  
WASHINGTON INSTALLATION.

HOWEVER, SOME GALLERY WORKERS HAVE HINTED AT CERTAIN  
"SENSITIVITIES" SHOWN BY CHINESE OFFICIALS RESPONSIBLE  
FOR SHOW. SINCE IT ARRIVED, EXHIBIT HAS BEEN SHEPHERDED  
BY TRAVELING CURATORS AND REPRESENTATIVES OF PRCLO.  
FIVE ADDITIONAL REPS ARRIVED FRIDAY AFTER 26-HOUR FLIGHT  
FROM PEKING. THOUGH GALLERY BEGAN PLANNING SHOW IN  
EARNEST MORE THAN YEAR AGO, INTERGOVT ACCORDS PERMITTING  
ITS US SHOWING WERE SIGNED IN PEKING ONLY SIX WEEKS

AGO. DOS OFFICIALS CITED INDEMNIFICATION PROBLEMS, WORDINGS OF LABELS AND OTHER "TECHNICAL DIFFICULTIES" IN DISCUSSING DELAY. ONE GALLERY EMPLOYEE SAYS SHOWING OF TAIWAN ON CERTAIN MAPS DISPLAYED WAS AMONG POINTS AT ISSUE.

SPOKESMAN FOR BETTY FORD, EXPECTED TO ATTEND TUESDAY EVENING BLACK-TIE DINNER HOSTED BY GALLERY PRES, SAID EARLY TUESDAY MORNING THAT WH WAS UNAWARE OF PRESS PREVIEW CANCELLATION AND THAT FIRST LADY'S PLANS WERE UNCHANGED.

MANSFIELD ARRIVED IN PEKING MONDAY NIGHT, BEGINNING THREE-WEEK CHINA VISIT (WP). REUTER (PEKING) NOTES PRC SPOKESMAN SAID SENATOR MET CHIAO KUANG-HUA TUESDAY AFTERNOON. DURING PEKING STAY, MANSFIELD EXPECTED TO HOLD FURTHER TALKS WITH CHINESE LEADERS, AND MAY ALSO MEET OLD FRIEND SIHANOUK.  
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IN PEKING, REUTER'S PEARCE (DEC 9) REPORTS VIEW OF CAPITAL OBSERVERS THAT FORMER PLA CHIEF YANG CHENG-WU, WHO RETURNED TO PUBLIC LIFE RECENTLY AFTER SIX YEARS OF POLITICAL DISGRACE, MAY BE IN RUNNING FOR DEFENSE MINISTER AND CHIEF OF STAFF POSTS. YANG'S NAME APPEARED ABOVE THOSE OF TWO DEPUTY CHIEFS OF STAFF IN LIST OF LEADERS ATTENDING MEMORIAL MEETING IN PEKING SATURDAY, INDICATING HIS RANK IS AT LEAST EQUAL TO THEIRS.

PEARCE NOTES SATURDAY WAS FIRST TIME SINCE JULY THAT YANG'S NAME HAS APPEARED IN NCNA REPORT, AND GIVEN PRC INSISTENCE ON PROTOCOL IN SUCH MATTERS, HE MUST NOW BE AT LEAST DEPUTY CHIEF OF STAFF, AND MAY EVEN BE DOING WORK OF CHIEF OF STAFF WITHOUT APPOINTMENT HAVING BEEN RATIFIED. FINDS YANGS'S SITUATION RECALLING THAT OF TENG HSIAO-PING.

JOC'S STRAUSS, IN HK, SAYS NEW REPORTS OF CHINESE OIL DISCOVERIES RAISE POSSIBILITY OF UNUSUAL PRC-HK PROCESSING ARRANGEMENT. LATEST NEWS, AS REPORTED IN SEVERAL FAR EAST PUBLICATIONS, IS THAT PRC HAS STRUCK OIL SOMEWHERE CLOSE TO CANTON. NO INFO AVAILABLE ON SIZE OF DEPOSIT, CHINA'S PLANS, OR EVEN WHETHER OIL IS COMMERCIALY EXTRACTABLE; BUT PEKING OFFICIALS SEEMED PROUD ENOUGH OF FIND TO INFORM VISITING JAPANESE GROUP.

STRAUSS SAYS MOST HK BUSINESSMEN BELIEVE OIL REFINERY WILL BE BUILT. CANTON IS ONLY 80 MILES NORTH OF HK, AND BUSINESSMEN SPECULATE CHINA MAY PREFER BUY-BACK ARRANGEMENT FROM HK TO BUILDING ITS OWN REFINERY NEAR CANTON. WHILE THIS "WOULD CERTAINLY NOT BE THE CASE IN OTHER

COUNTRIES," PRC VIEWS COLONY AS PART OF MAINLAND.

TORONTO GLOBE AND MAIL'S BURNS, IN PEKING, CITES KWANGMING DAILY'S REPORT THAT PRC ARCHAEOLOGISTS DIGGING IN PARACELS HAVE UNEARTHED ANCIENT RELICS SUPPORTING PEKING'S CLAIM THAT CHINESE HAVE BEEN ACTIVE IN ISLANDS FOR CENTURIES (CSM).

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USDA REPORT INDICATES PRC WHEAT PRODUCTION MAY INCREASE NEXT YEAR. SAYS PRC OFFICIALS, WHILE NOT REPORTING

PRECISE PLANTING ESTIMATES, ARE CLAIMING ACREAGE SEEDED WITH WINTER WHEAT IN NORTHERN PRODUCING AREAS IS UP ABOUT 980,000 ACRES FROM YEAR EARLIER (UPI, NYDN).

### 3. JAPAN

MIKI ELECTION BY DIET AS PM, AND HIS CABINET CHOICES, RECEIVE BROAD COVERAGE (WP, NYT, SUN, CHITRIB, WSJ, UPI).

MIKI NAMES FUKUDA, "ADVOCATE OF STABLE GROWTH," AS DEPUTY PM AND EPA DIRGEN; RETAINS OHIRA IN FINANCE; AND PICKS ECONOMIC EXPERT MIYAZAWA AS FM (WSJ).

NYT'S BUTTERFIELD IN TOKYO CALLS MIKI CABINET "MIX OF OLD-TIME FACTIONAL BALANCE AND NEW TALENT" NEEDED TO MEET PRESSING ECONOMIC AND POLITICAL PROBLEMS. NOTES STRESS ON ECONOMIC ISSUES IMPLIED BY INCLUSION OF FUKUDA AND OHIRA, AND SIGNIFICANT CHOICE OF ENGLISH-SPEAKING URBANE, INTELLECTUAL, ECONOMIC EXPERT MIYAZAWA AS FM. SAYS EDUCATOR-TURNED-NEWSMAN NAGAI, NAMED MIN ED, IS FIRST NON-DIETMAN NAMED TO CABINET SINCE 1957. COMMENTS THAT TANAKA MAY BE OUT BUT REMAINS POWERFUL, WITH THREE FACTION MEMBERS IN NEW CABINET, INCLUDING MINISTRY OF CONSTRUCTION AND LAND DEVELOPMENT AGENCY.

WP'S OBERDORFER IN TOKYO SAYS MIKI CABINET FULFILLS HIS PROMISE TO PICK ABLE MEN REGARDLESS OF FACTION, BUT STILL REFLECTS CAREFUL BALANCE OF ANY TAMANY HALL TICKET. SUGGESTS TWO RIVALS, FUKUDA AND OHIRA, MAY HAVE OVERLAPPING RESPONSIBILITY FOR ECONOMIC POLICY; DESCRIBES MIYAZAWA AS "LEADING INTERNATIONALIST"; AND SAYS CHOICE OF OHIO STATE PHD NAGAI AS MIN ED CAUSED CONSIDERABLE STIR AS FIRST APPOINTMENT OF NON-DIET MEMBER TO CABINET SINCE 1957. WHILE MIKI, FUKUDA, OHIRA AND TANAKA FACTIONS EACH PLACED THREE MEMBERS IN 21-MAN CABINET, ONLY ONE NAKASONE MAN CHOSEN; BUT OBERDORFER COMMENTS THIS MORE THAN MADE UP BY DESIGNATION OF AMBITIOUS LEADER AS LDP SEC GEN.

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AFTER ELECTION, MIKI CALLED AT ALL OPPOSITION PARTY HEADQUARTERS; OPPOSITION RECEIVED HIM WARMLY, BUT CRITICIZED NEW CABINET LATER IN DAY (3-COL AP PHOTO OF MIKI IN DIET).

CHITRIB'S YATES IN TOKYO SAYS MIKI ELECTION ACHIEVES 37-YEAR-OLD DREAM WHICH BEGAN WHEN HE FIRST ENTERED LOWER HOUSE IN 1937. EARLIER STUDY OF POLITICAL SCIENCE AT USC GAVE MIKI LIFELONG COMMITMENT TO DEMOCRACY, WHICH LED HIM TO OPPOSE WAR, SUPPORT PARLIAMENTARY GOVERNMENT AGAINST MILITARY DURING WAR,

AND RISK NECK BY CALLING FOR EARLY END TO WAR. ALSO DESCRIBES MIKI ROLE IN HELPING FOUND LDP.

SUN STAFF CORRESPONDENT IN TOKYO SAYS MIKI CABINET DOMINATED BY OLD-TIME CONSERVATIVES, INCLUDING SEVERAL KEY FIGURES FROM OUTGOING TANAKA GOVT. COMMENTS THAT CAREFUL BALANCE OF FACTIONAL INTERESTS REFLECTS LDP EFFORTS TO SMOOTH OVER INTRA-PARTY DIFFERENCES, AND MIKI WEAKNESS AS COMPROMISE PM (2-COL AP PHOTO OF MIKI IN DIET).

LAT'S JAMESON, IN TOKYO, COMMENTS IN DEPTH ON MIKI. RECALLS HIM SAYING IN 1963 INTERVIEW THAT LDP COULD NO LONGER THINK ONLY OF HIGH GROWTH, BUT MUST CREATE BETTER ENVIRONMENT FOR LIVING; SAYING IN 1970 THAT PEOPLE SEEK STABILITY IN MIDST OF REFORM, NOT FREEZING OF STATUS QUO; AND SAYING LAST YEAR HE WAS DEEPLY MOVED BY AMERICAN PEOPLE'S DEDICATION TO PRINCIPLES OF DEMOCRACY IN THEIR REACTION TO WATERGATE. NOTES TIME HAS CONFIRMED NEED FOR POLICIES CONSISTENTLY ADVOCATED BY MIKI.

HOWEVER, MIKI, WHO LACKS POWER BASE WITHIN LDP, AND HAS BEEN CRITICIZED CONSISTENTLY FOR INDECISION, MUST BLEND ACTION WITH CHARACTERISTIC CAUTION IF HE IS TO TRANSLATE PRINCIPLES INTO ACCOMPLISHMENT. SUGGESTS FOREIGN POLICY IS ONLY AREA IN WHICH MIKI HAS SHOWN INITIATIVE -- BY URGING US IN 1966 TO IMPROVE RELATIONS WITH PRC TO HELP END VIETNAM WAR; BY RESISTING CONFRONTATION UNCLASSIFIED

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WITH CHINA; BY PROPOSING "PACIFIC CONCEPT" FOR ADVANCED COUNTRIES TO AID LDCS; AND BY DECLARING JAPAN SHOULD ADOPT INDEPENDENT POLICY TOWARD ARABS AND PROMISING TO AID THEM DURING MIDEAST VISIT LAST DECEMBER. MIKI HAS CREATED PUBLIC EXPECTATION OF CHANGE; IF HE FAILS TO DELIVER, CREEPING DECLINE OF LDP COULD ACCELERATE

INTO CRASH.

GLOBE'S STORIN, IN TOKYO, REPORTS BRIGHT SPOTS IN GLOOMY ECONOMY: WPI HOLDS STEADY IN MID-NOVEMBER, AND ONLY .5 PCT RISE IN CPI; FOREX UP TO 13 BILLION DOLS WITH 690 MILLION TRADE SURPLUS IN SEPTEMBER. HINTS YEAR-END OPTIMISM BOOSTED BY MIKI REPLACEMENT OF TANAKA, AND CITES JAPAN TRAVEL BUREAU REPORT THAT NEW YEAR TOUR BOOKINGS UP TEN PERCENT OVER LAST YEAR, DESPITE RECENT 20 PCT INCREASE IN DOMESTIC AND INTL AIR FARES. SIGN OF TIMES IS 300 DOL CHARGE BY IMPERIAL HOTEL FOR MARLENE DEITRICH CHRISTMAS DINNER SHOW.

NYT SPECIAL, FROM TOKYO, SAYS THIRD NOON-TIME BOMB BLAST IN RECENT MONTHS INJURED NINE AT TAISEI CONSTRUCTION CO IN DOWNTOWN TOKYO. LITTLE DAMAGE. ANONYMOUS CALL FROM EAST ASIA ANTI-JAPAN FRONT WARNED COMPANY, BUT POLICE FAILED TO FIND BOMB IN TIME.

REUTER (TOKYO) REPORTS KEIDANREN FORECAST OF SLOW RECOVERY TO FOLLOW PRESENT ECONOMIC DECLINE, WITH ONLY 3.4 PCT REAL GROWTH NEXT JFY.

NORWEGIAN SECURITY FORCES GUARD AGAINST POSSIBLE TERRORIST ATTACK ON LAUREATE EISAKU SATO, IN OSLO TO ACCEPT NOBEL PEACE PRIZE (CSM). SOLZHENITSIN (LITERATURE) AND PALADE (MEDICINE) ALSO IN OSLO TO ACCEPT PRIZES (NYT).

JOC SAYS VENEZUELAN GOVT OFFICIALS DISCUSS POSSIBILITY WITH JAPANESE BUSINESS LEADER DOKO OF SALE OF 10 PCT OF JAPAN'S OIL IMPORTS "AT REASONABLE PRICES" IN EXCHANGE FOR ADVANCED TECHNOLOGY.

WSJ (VANCOUVER) REPORTS JAPANESE STEELMAKERS AGREE  
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TO PAY KAISER RESOURCES, LTD, SPECIAL BONUS OF 5.76 DOLS PER TON FOR COKING COAL DURING FIRST QUARTER 1975, AND TO RENEGOTIATE PRICE APRIL 1.

JOC (PRAGUE) NOTES GOVT AGENCY REPORT THAT US AND JAPAN RANK ONE-TWO AMONG WESTERN BUYERS OF CZECH TECHNOLOGY.

#### 4. KOREA

REUTER (UN) REPORTS US SAVORS MAJOR VICTORY IN VOTE ON KOREAN QUESTION AS POL COMM ADOPTS US-SPONSORED RESOLUTION, 61 - 42, WITH 32 ABSTENTIONS, AND REJECTS PRO-NK ALGERIAN RESOLUTION IN RARE TIE VOTE, 48-48, WITH 38 ABSTENTIONS. NYT'S TELTSCH, AT UN, NOTES

APPROVED RESOLUTION URGES NK AND SK RESUME TALKS FOR PEACEFUL UNIFICATION, AND, IN KEY PROVISION, STATES UNSC SHOULD CONSIDER DISSOLUTION OF UNC "IN DUE COURSE," BUT ONLY IF SUITABLE ALTERNATIVE AGREED TO. WP SPECIAL SAYS US CAME WITHIN SINGLE VOTE OF ANOTHER EMBARRASSING SETBACK AT UN; NK SUPPORTERS NOW LIKELY TO TRY TO GET GA TO DROP PRO-SK RESOLUTION, AND SUBSTITUTE CONSENSUS STATEMENT TO BE READ FROM CHAIR.

AFP PEKING (WP 12/9) REPORTS DEPARTURE OF ZAIRE PRES MOBUTU FROM SHANGHAI FOR NK; AFRICAN SOURCES SAY HE WILL RETURN TO PRC FOR OFFICIAL VISIT DEC 15.

WP (SEOUL) SAYS ROKG HAS ASKED US MISSIONARY GEORGE OGLE TO PROMISE IN WRITING TO STOP CRITICIZING SK GOVT, ON PAIN OF DEPORTATION. OGLE ONE OF NINE AMCIT MISSIONARIES WHO RECENTLY EXPRESSED CONCERN ABOUT PARK REGIME TO PRES FORD.

#### 5. BURMA

AP LONDON (GLOBE 12/9) QUOTES DIPLOMATS THAT DEEP TROUBLES MAY LIE AHEAD FOR NE WIN REGIME BECAUSE STUDENT-MONK ALLIANCE OPPOSES IT, AND U THANT'S BODY MAY CAUSE "POSSIBLE FLASHPOINT CONFLICT."  
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DIPLOMATIC REPORTS SAY GUB ORDERED POLICE AND TROOPS TO STAY IN BACKGROUND, AND AS RESULT TENSIONS EASED. ASIAN AND EUROPEAN DIPLOMATS BELIEVE PROTESTS OVER THANT'S REMAINS HAVE DRAMATIZED DEEP HOSTILITIES OVER WIN'S LEADERSHIP AND POLICIES THAT HAVE SIMMERED FOR LONG TIME. ARTICLE QUOTES EUROPEAN DIPLOMAT WHO SERVED IN BURMA THAT STUDENT VICTORY MIGHT ONLY WHET APPETITES FOR REMOVAL OF OTHER GRIEVANCES AND, IF FORCE USED, TROUBLES COULD SPREAD THROUGHOUT COUNTRY. NOTES PROBLEMS THIS YEAR INCLUDED STRIKES IN STATE INDUSTRIES AND RICE SHORTAGE IN COUNTRY THAT NORMALLY EXPORTS IT, AND JAILING OF SEVERAL UNCOOPERATIVE FARMERS. STATES THAT DIPLOMACY AND DISCRETION THAT THANT PRACTICED IN LIFE WERE DRAMATICALLY SHATTERED BY AFTERMATH OF HIS DEATH.

#### 6. PHILS

MIL AUTHORITIES SAY 11 GUERRILLAS KIA IN SOUTHERN ISLANDS IN FIRST MAJOR FIGHTING SINCE OCT (UPI, NYDN).

#### 7. INDONESIA

TWO JOINT-VENTURE STEELMAKING PLANTS PLANNED. ONE



WILL BE STEEL AND REINFORCING BAR MANUFACTURING COMPLEX IN JAKARTA WITH THREE JAPANESE FIRMS, INCLUDING NKK, IN PARTNERSHIP WITH LOCAL COMPANY. OTWER WILL BE VENTURE BETWEEN PERTAMINA AND MITSUBISHI SUBSIDIARY TO PRODUCE ITEMS FOR OIL AND GAS PRODUCTION, TO BE LOCATED ON SOUTH COAST OF CENTRAL JAVA (JOC).

8. THAILAND

DEPUTY PM ANNOUNCES SAUDIS HAVE AGREED TO LEND THAIS 40 MILLION DOLS FOR ECON DEVELOPMENT ON LONG-TERM, LOW-INTEREST BASIS WITH TEN-YEAR GRACE PERIOD (AP, CHITRIB).

9. AUSTRALIA

COSTLY UNAUTHORIZED WORK STOPPAGE HITS WATERFRONT UNCLASSIFIED

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INDUSTRIES PLAGUED BY HEAVY INCREASE IN CARGO MOVEMENT AND DIMINUTION OF LINE TONNAGE. STOPPAGES ARE ESPECIALLY SEVERE AT SYDNEY (JOC).

10. HK

JOC SAYS HK DOLLAR FLOATS HIGHER, IN MOOD OF OPTIMISM, DESPITE 20 PCT DEVALUATION OF ROK WON SATURDAY BY COLONY'S MAJOR INDUSTRIAL COMPETITOR. HK TEXTILE MANUFACTURERS NOTE SOME CONCERN OVER LOCAL IMPACT OF SK MOVE.

COMMENT AND ANALYSIS

11. CHINA

SUN'S TREWHITT REPORTS EA DIPLOMATS IN WASHINGTON VIEWING MANSFIELD'S PEKING VISIT AS POSSIBLY HAVING GREAT DEAL TO DO WITH UNFOLDING OF SINO-US RELATIONS. SOURCES ESTIMATE THAT PART OF SENATOR'S MISSION MAY WELL BE TO EDUCATE PEKING GOVT IN ART OF POSSIBLE IN US. TREWHITT ALLUDES TO COMBINATION OF CIRCUMSTANCES WHICH CAUGHT ATTENTION OF EA DIPLOMATS: MANSFIELD LEFT WITH MIXED ENTOURAGE THAT INCLUDED SENIOR STAFF MEMBER FROM SFRC; BRIEF ANNOUNCEMENT THAT TRIP HAD BEEN UNDER CONSIDERATION FOR MONTHS AND SENATOR WENT WITH ADMIN'S "FULL SUPPORT AND CONCURRENCE"; ALSO, ANNOUNCEMENT CAME LESS THAN WEEK AFTER HAK'S RETURN FROM RELATIVELY UNPRODUCTIVE PRC VISIT, WITH ONLY SUBSTANTIVE ANNOUNCEMENT FROM HAK'S DISCUSSIONS BEING THAT PRES WOULD VISIT PRC NEXT YEAR. DIPLOMATS REASON THAT IF FORD IS TO GO TO PEKING NEXT YEAR, FAR GREATER SUBSTANCE WILL HAVE TO BE GIVEN SINO-US

TIES.

SO FAR, RELATIONSHIP HAS FAILED TO FULFILL EXPECTATIONS  
RAISED BY NIXON'S 1972 VISIT. TRADE IS UP, BUT NOT  
TO EXTENT PREDICTED. THERE HAS BEEN NO ERUPTION OF  
CULTURAL EXCHANGES.

BUT BOTH SIDES ARE KNOWN TO BE FAR MORE CONCERNED WITH  
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POLITICAL IMPLICATIONS OF THEIR CAUTIOUS DIPLOMATIC  
MINUET. FOR US, IT IS APPARENTLY ENOUGH TO KEEP DOORS  
OPEN FOR TIME BEING WITH EYE TO INFLUENCING FUTURE  
IN CHINA AND THE AREA. CHINESE OBJECTIVES - AT LEAST  
AS THEY WERE PRESENTED TO REPORTERS ACCOMPANYING HAK -  
APPEARED TO BE MORE AMBITIOUS. PEKING SPOKESMEN  
SUGGESTED IT WAS TIME FOR US TO BEGIN FLESHING OUT  
POLITICAL TIES BY CUTTING BACK FURTHER ITS RELATIONS  
WITH ROC. WHEN HAK BEGAN DISCUSSION WITH CHIAO KUAN-HUA,  
BOTH SPOKE OF FURTHER STEPS TOWARD "NORMALIZATION."  
BY TIME MEETINGS ENDED, ONLY HAK WAS REFERRING TO RESULTS  
AS HAVING ADVANCED THAT CAUSE.

SEEMS CLEAR THAT PRC OFFICIALS WOULD NOT BE SATISFIED  
WITH US DECISION MERELY TO TRANSFER ITS PRIMARY  
DIPLOMATIC TIES FROM TAIWAN TO MAINLAND. INFORMALLY,  
AT LEAST, THEY ARGUED THAT US SHOULD REDUCE ITS  
SECURITY GUARANTEE TO ROC AS WELL. THIS POSSIBILITY  
IS KNOWN TO CONCERN GRC DIPLOMATS IN WASHINGTON.

IN THAT LIGHT, DIPLOMATS IN WASHINGTON BELIEVE MANSFIELD  
MAY TRY TO CONVINCE PRC LEADERS THAT POLITICAL MOVES  
ARE QUITE POSSIBLE, BUT THAT CONGRESS AND US PUBLIC  
WILL NOT TOLERATE MIL ABANDONMENT OF TAIPEI.

LAT'S ELEGANT IN HK (DEC 8) VIEWS HAK'S "HAND-HOLDING  
MISSION TO PEKING" AS HAVING DEMONSTRATED SINO-US  
QUASI-ALLIANCE IS VERY MUCH GOING CONCERN. REASON  
IS SIMPLE AND FUNDAMENTAL: PEKING STILL NEEDS WASHINGTON  
AT LEAST AS MUCH AS WASHINGTON NEEDS PEKING - AND,  
PROBABLY, EVEN MORE.

ON PRES' VISIT TO PRC NEXT YEAR, ELEGANT SAYS PEKING  
WAS ANXIOUS TO RECEIVE FORD FOR NUMBER OF REASONS.  
ABOVE ALL, PRC LEADERSHIP WANTS FORMAL VISIT AS  
DEMONSTRATION TO USSR OF CONTINUING SINO-US INTIMACY.  
US' CHIEF IMPORTANCE TO PEKING IS WEIGHT OF ITS MIL  
AND ECON POWER AS COUNTER TO SOVIET THREAT. DESPITE  
RECENT PRO FORMA GESTURE OF CONCILIATION TOWARD  
MOSCOW, WHICH PEKING KNEW WOULD NOT BE ACCEPTED,  
CHINA'S FEAR OF USSR REMAINS INTENSE. FORD VISIT WILL  
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FURTHER STRENGTHEN HAND OF CHOU'S MODERATE FACTION THAT HAS BEEN ATTACKED FOR ITS EXCESSIVE FRIENDSHIP TO US. FINALLY, ANNOUNCEMENT OF VISIT WILL HELP QUELL PERSISTENT RUMORS OF MAJOR DIFFICULTIES IN QUASI-ALLIANCE.

ALDEN WHITMAN (NYT) REPORTS PUBLICATION OF ROSS KOEN'S

"THE CHINA LOBBY IN AMERICAN POLITICS" BY HARPER AND ROW AND OCTAGON BOOKS. BOOK, STRONGLY CRITICAL OF LOBBY, WAS TO BE PUBLISHED BY MACMILLAN IN 1960; BUT TWO WEEKS BEFORE PUBLICATION DATE, MACMILLAN PRES TOLD KOEN THAT GRC EMBASSY HAD THREATENED LIBEL ACTION IF BOOK PUBLISHED. OFFENDING SENTENCE IN PREFACE ASSERTED THERE WAS STRONG EVIDENCE HIGH CHINESE NATIONALIST OFFICIALS AND SOME AMERICANS HAD COLLABORATED IN ILLEGAL NARCOTIC TRAFFIC IN US. NO PERSONS WERE NAMED. ALTHOUGH KOEN DOUBTED LIBEL ACTION COULD BE SUSTAINED, HE AGREED TO MODIFY LANGUAGE. SUBSEQUENTLY, ACCORDING KOEN, HE WAS ASKED TO MAKE FURTHER CHANGES OF SUBSTANCE, WHICH HE DECLINED TO UNDERTAKE, WHERE-UPON MACMILLAN WITHDREW PUBLICATION.

IN PREFACE TO "NEW" BOOK, HAMLINE'S KAGAN ASSERTS THAT "WORKING THROUGH THE STATE DEPARTMENT, THE CENTRAL INTELLIGENCE AGENCY AND THE FEDERAL BUREAU OF NARCOTICS, THE KMT PREVENTED THE BOOK FROM BEING PUBLISHED." KOEN SUPPORTED CHARGE IN INTERVIEW, BUT CONCEDED HE HAD NO DOCUMENTARY EVIDENCE FOR ACCUSATION. KAGAN AND KOEN SAID CIRCUMSTANTIAL EVIDENCE WAS, IN THEIR VIEW, CONSIDERABLE. DOS AND CIA SPOKESMEN HAD NO COMMENT. REVIVAL OF BOOK PRAISED BY MANY CHINA SPECIALISTS.

NOV ISSUE OF SWISS REVIEW OF WORLD AFFAIRS COMMENTS THAT IN CONTRAST TWO YEARS AGO, WHEN NIXON VISITED PRC, THERE IS NOW REMARKABLY LITTLE NERVOUSNESS IN TAIWAN OVER WASHINGTON'S CLOSER CONTACTS WITH PEKING. ONE REASON IS APPOINTMENT OF AMB. UNGER, WHOM TAIWANESE LIKE. ANOTHER IS WASHINGTON'S POLICY OF CONTINUING TO FULFILL OBLIGATIONS TOWARD TAIWAN WHILE AT SAME TIME REPRESENTING CLOSER US CONTACTS WITH PRC AS BEING CONTRIBUTION TOWARD DETENTE WHICH WILL EVENTUALLY UNCLASSIFIED

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BENEFIT TAIWAN. DESPITE FACT TAIWAN FACING INCREASING DIPLOMATIC ISOLATION, THERE IS STRONG DETERMINATION TO MAKE BEST OF THINGS. MANIFESTATIONS OF THIS ARE RECENTLY ANNOUNCED INDUSTRIAL PROJECTS DESIGNED TO PROPEL TAIWAN TO INDUSTRIALIZED NATION STATUS.

12. INDOCHINA

SUN NOTES SENATE PASSAGE WITHOUT DISSENT OF AMENDMENT TO 1975 AGRIC APPROPRIATIONS BILL, WHICH REQUIRES THAT ALLOCATIONS OF FUNDS UNDER FOOD FOR PEACE PROGRAM BE MADE ON BASIS OF NEED; NATIONS WHERE PEOPLE STARVING WOULD BE GIVEN PRIORITY IN US FOOD AID. NOTES THAT IN RECENT YEARS, MORE AND MORE PROGRAM HAS BEEN USED

FOR POLITICAL PURPOSES RATHER THAN HUMANITARIAN ONES. COUNTRIES SUCH AS EGYPT, CHILE, CAMBODIA AND SVN GOT BULK OF AID. IN THESE CASES, AID WAS BEING USED NOT BECAUSE THERE EXIST STARVING MASSES, BUT BECAUSE THOSE NATIONS ARE SPENDING SO MUCH MONEY ON MIL NEEDS THAT THEY NEED ASSISTANCE IN OTHER AREAS.

SUN NOTES IT HAS LONG SUPPORTED CONCEPT THAT US AID TO SVN MUST CONTINUE. IT IS OBLIGATION INCURRED DURING DECADE OF WAR, AND AMERICAN PEOPLE AND CONGRESS HAVE SHOWN WILLINGNESS TO CONTINUE SUPPORT. BUT IT IS WRONG TO DISGUISE THAT AID TO TAKE FOOD FROM WORLD'S HUNGRY IN ORDER TO MEET OUR OBLIGATIONS TO SVN. EXPRESSES HOPE HOUSE WILL SUPPORT SENATE AMENDMENT.

13. JAPAN

CSM'S SOUTHERLAND IN TOKYO SEES MIKI CABINET CHANGES REFLECTING LITTLE CHANGE IN JAPANESE POLICY. VIEWS NEW CABINET AS SHOWING CLEAR DECLINE OF FACTION BELONGING TO TANAKA; SEVERAL IMPORTANT POSITIONS WENT TO FACTIONS LED BY FUKUDA AND OHIRA, WHO HAD BEEN LEADING CONTENDERS FOR PREMIERSHIP. MIKI'S OWN FACTION, WHICH IS RELATIVELY WEAK ONE, WAS NOT HEAVILY REPRESENTED IN CABINET.

SOUTHERLAND REPORTS THAT MANY JAPANESE COMMENTATORS, UNCLASSIFIED

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AFTER GENERALLY HERALDING MIKI'S SELECTION AS PM, HAVE GROWN BIT MORE GLOOMY ABOUT HIS PROSPECTS FOR EITHER STAYING IN OFFICE VERY LONG OR ACCOMPLISHING VERY MUCH. THEY POINT OUT THAT MAIN PROBLEMS FACING MIKI ARE ECON AND FINANCIAL ONES, AREAS IN WHICH HE HAS NO GREAT EXPERIENCE. MOREOVER, SOME COMMENTATORS BELIEVE BALANCE OF FACTIONAL POWER IN CABINET WILL PREVENT MIKI FROM TAKING DECISIVE ACTION EITHER TO SOLVE ECON PROBLEMS OR REFORM LDP.

14. MICRONESIA

LAT'S LAMB IN SAIPAN (DEC 8) DOES FEATURE ON EAGERNESS OF MARIANAS TO ACHIEVE COMMONWEALTH STATUS AND HAVE HAND IN DETERMINING OWN FUTURE. COMMENTS THAT US'

PRIMARY FAILURE DURING 27 YEARS HAS BEEN ECONOMIC.  
WASHINGTON'S BENIGN NEGLECT OF TERRITORY, WHICH ENDED  
WITH JFK ADMIN, IS STILL REFERRED TO IN SAIPAN AS  
ZOO PHILOSOPHY. MASSIVE AMOUNTS OF MONEY HAVE BEEN  
POURED INTO MICRONESIA, MARSHALLS AND CAROLINES --  
PORTIONS OF WHICH ARE NEGOTIATING SEPARATELY FOR  
FREE ASSOCIATION STATUS; BUT NO SELF-SUSTAINING  
ECONOMY HAS DEVELOPED, AND PEOPLE HAVE LEARNED TO  
LIVE ON DOLES. INGERSOLL

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## Message Attributes

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CAN THO  
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